

Message Text

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PAGE 01 MANAGU 03436 281559Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 AGR-01 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 JUSE-00 IO-13 AF-10 EA-10 EUR-12 NEA-10
/167 W

-----126006 291406Z /46

R 272204Z JUL 78

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 7271

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PLEASE PASS USDA

E.O. 11652: NA

TAGS: ETRD, EAGR, NU

SUBJECT: SUGAR IMPORT FEES

REF: STATE 163025

1. EMBASSY SPOKE WITH FAUSTO AMADOR, SECRETARY OF NICARAGUA'S SUGAR PRODUCER'S COMMITTEE BEGINNING OF JULY CONCERNING PROPOSALS FOR SUGAR IMPORT FEES DISCUSSED IN REFTEL. HIS REACTION TO ANY INCREASE IN SUGAR IMPORTS WAS THAT THE SUGAR INDUSTRY IN NICARAGUA AND LATIN AMERICA WOULD BE VERY HARD HIT AND THAT FIFTY PERCENT OF THE SUGAR INSTALLATION WOULD HAVE TO CLOSE. AMADOR ALSO SAID THAT ALTHOUGH NICARAGUA EXPORTED TO THE U.S. ONLY \$22 MILLION WORTH OF SUGAR DURING THE 1976/77 SEASON, THE USG HAD REFUSED TO DECLARE NICARAGUA'S SUGAR EXPORTS AS REELIGIBLE FOR DUTY-FREE TREATMENT UNDER THE GENERALIZED SYSTEM OF PREFERENCES (GSP). (NICARAGUAN AMBASSADOR SEVILLA SACASA SENT A DIPLOMATIC NOTE TO SEC-
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PAGE 02 MANAGU 03436 281559Z

STATE ON FEBRUARY 17 (SD-RC-6) REQUESTING NICARAGUA'S RECLASSIFICATION AND RECEIVED A NOTE (DATED MARCH 6) DENYING RECLASSIFICATION ON THE GROUNDS THAT THE RE-DESIGNATION OF ELIGIBLE COUNTRIES TO RECEIVE GSP WOULD UNDERMINE THE EFFECTIVENESS OF THE U.S. DOMESTIC SUGAR PRICE SUPPORT PROGRAM AND THAT MANY FOREIGN PRODUCERS ARE COMPETITIVE IN THE U.S. MARKET

WITHOUT GSP BENEFITS.) AMADOR INDICATED THAT THE SUGAR PRODUCER'S COMMITTEE WOULD REPLY TO USDA AS SOON AS POSSIBLE CONCERNING PROPOSED IMPORT FEES ON SUGAR.

2. APPROXIMATELY ONE WEEK AGO A REPRESENTATIVE OF THE MINISTRY OF ECONOMY APPROACHED COMOFF TO TALK FURTHER OF THE POSSIBLE INCREASE IN SUGAR IMPORT FEES. HIS COMMENTS WERE AS STRONG AS AMADOR'S HAD BEEN AND HE WANTED TO KNOW WHY NICARAGUAN SUGAR COULD NOT BE ELIGIBLE FOR GSP STATUS, WHY THE INTERNATIONAL SUGAR AGREEMENT HAD NOT BEEN RATIFIED BY THE U.S. ETC. AFTER DISCUSSION, COMOFF SUGGESTED THAT GON MAKE ITS THOUGHTS KNOWN TO USDA AND SECSTATE THROUGH ITS EMBASSY IN WASHINGTON.

3. EMBASSY HAS NOW RECEIVED DIPLOMATIC NOTE (NO. 73) FROM GON DATED JULY 21, CONCERNING SUGAR IMPORT FEES. GON SAYS THAT IT IS DEEPLY PREOCCUPIED ABOUT THE ADOPTION IN THE PAST BY THE USG OF PROTECTIONIST MEASURES AGAINST SUGAR AND THE CONTEMPLATED ADDITIONAL FEES ON SUGAR. THE PRINCIPAL OBJECTIVE OF THIS PROGRAM OF INCREASED FEES, THE NOTE CONTINUES, IS THE ESTABLISHMENT OF GLOBAL QUOTAS FOR THE IMPORTATION OF THIS PRODUCT, ALTHOUGH SUCH MEASURES ARE COMPLETELY CONTRARY TO THE SPIRIT OF THE INTERNATIONAL SUGAR LIMITED OFFICIAL USE

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PAGE 03 MANAGU 03436 281559Z

AGREEMENT, WHICH HAS BEEN SUPPORTED BY THE USG SINCE ITS INCEPTION. GON ALSO STATES THAT IT STRONGLY DESIRES THAT THOSE COUNTRIES (SUCH AS THE UNITED STATES), WHO HAVE NOT AS YET RATIFIED THE INTERNATIONAL SUGAR AGREEMENT, DO SO. GON REQUESTS THAT NICARAGUA BE INCLUDED IN THE LIST OF COUNTRIES WHICH ARE ELIGIBLE FOR DUTY-FREE SUGAR IMPORTS UNDER THE GSP SINCE NICARAGUA DID NOT EXCEED THE STIPULATED LIMIT OF IMPORTS IN 1977 AND, THEREFORE, QUALIFIES UNDER THE REGULATIONS OF THE GSP FOR DUTY-FREE IMPORTS.

4. GON HAS APPARENTLY NOT INFORMED USDA OF ITS COMMENTS ALTHOUGH IT WAS ENCOURAGED TO DO SO. EMBASSY WILL INFORM GON THAT ITS COMMENTS AND REQUESTS AS STATED IN THEIR DIPLOMATIC NOTE HAVE BEEN FORWARDED TO WASHINGTON FOR CONSIDERATION.

5. THE ISSUE OF SUGAR IMPORTS INTO THE UNITED STATES IS A HIGHLY SENSITIVE ONE IN NICARAGUA. IF RESPONSE IS MADE DIRECTLY, EMBASSY WOULD APPRECIATE BEING INFORMED OF REPLY. RUCKER

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Message Attributes

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Concepts: SUGAR, IMPORTS, FEES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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